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ABSTRACT

The paper reviews the Reagan administration's efforts to convert human services financing to a block grant approach and describes the response of the United Cerebral Palsy Association (UCPA). The Budget Reconciliation Act and its impact on funding for such services as developmental disabilities, vocational rehabilitation, and Title XX Social Services is analyzed. The state/local government perspective is presented and the point is made that states must raise taxes or reduce services, or both. The predicament of charitable organizations, now faced with serving more people with less funds, is also examined. Senate Bill 807, which was designed to coordinate the management of federal assistance programs and which, the author asserts, could jeopardize categorical programs for the disabled and undermine federal assurance of civil rights protections, is described. The author suggests that block grants do not assure budget savings. Results of questionnaires completed by UCPA affiliates are summarized, including that affiliates favored categorical over block grant funding and recommended that UCPA continue to advocate federally prescribed programmatic criteria in government programs for the disabled. (CL)

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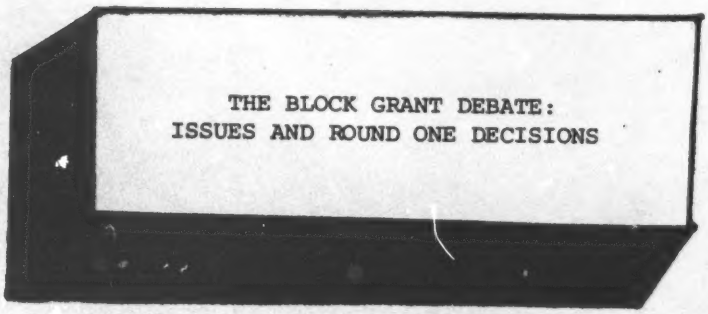

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INTRODUCTION

This paper provides an update on the events that have occurred in Washington on the issue of block grants as of the August Congressional recess.

In February, 1981, all UCPA affiliates received a Word From Washington Analysis paper on "Preparing for Federal Grant Consolidation: A Reexamination and Search for Affiliate Guidance." The paper attempted to describe the block grant and categorical grant approach to financing human services, outlined a number of experiences of previous block grant attempts, and included a questionnaire to determine affiliate guidance on how the UCPA governmental activities committee, board of directors, and Washington office staff should approach the subject of federal grant consolidation.

Two Word From Washington Analysis papers have discussed the Reagan Administration proposals in-depth; "Federal Disability Policy: Summarizing the Carter Administration; Anticipating the Reagan Administration" in November, 1980 and "Meeting with Your Congressional Representatives: An Orientation to the Issues of the 97th Congress" in March, 1981. The monthly Word From Washington newsletter has provided a running and detailed account of federal public policy issues, events, and decisions. This paper is focused on the issue of block grants, one of the most significant and profound public policy issues of the decade.

ORIGINAL ADMINISTRATION PROPOSALS

On February 18, 1981, President Reagan announced his "America's New Beginning: A Program for Economic Recovery." This was followed in early March with more substantive budget and legislative proposals. Numerous categorical programs were targeted for elimination and substitution into block grants for health, health prevention, education, social services, community development, energy assistance, and employment. Programs slated for elimination were Developmental Disabilities (DD), Vocational Rehabilitation (VR), Independent Living (IL), Title XX Social Services, the National Institute for Handicapped Research (NIHR), Maternal and Child Health (MCH), Crippled Childrens' Services (CCS), P.L. 94-142 education for handicapped children, and P.L. 89-313 education for handicapped children.

In April, 1981, in a speech to the National Association of Counties, President Reagan stated "I have a dream of my own. I think block grants are only the intermediate steps. I dream of the day when the Federal Government can substitute for those the turning back to local and state governments of the tax sources we ourselves have pre-empted here at the Federal level so that you would have those tax sources."

Robert Carleson, Special Assistant to the President for Domestic Policy Development also continues to declare that "block grants are merely an interim step" in the President's plan to turn all human service programs over to the states. At a meeting of the National Health Policy Forum, Carleson further stated that "block grants are a step toward total withdrawal of the Federal Government from education, health and social services programs which the Administration believes are properly the responsibility of state and local governments."

David Stockman, Director, Office of Management and Budget (OMB), has declared that "I don't believe that there is any entitlement, any basic right to legal services or any other kind of services....The idea of... (services) financed by the government as a matter of basic right is wrong. We challenge that. We reject that notion." Several existing programs which UCPA has encouraged and supported, such as the P.L. 94-142 right of all handicapped children to a public education and the Supplemental Security Income program concept that severely disabled low income adults should receive a federal monthly income (currently roughly $250 per month) are based on the legal principle of entitlement. Thus UCPA's historical work in income assistance and public education are rejected by the Administration.

The Administration's block grant proposals contained certain common features demonstrating a general appraoch. These features included:

(1) Reduce federal funds 25% in fy 1982 below fy 1981 levels;

(2) Distribute remaining funds among the states based on the proportions of federal money received in fy 1981;

(3) Allow governors to shift up to 10% between block grants (education excluded);

(4) Abolish state matching and maintenance of effort requirements; and

(5) Hold appropriations levels for fy 1983, '84, and '85 to the same level as fy 1982.

ROUND ONE: BUDGET RECONCILIATION ACT

- UCPA Advocacy Approach

In an April 10, 1981 letter to Senator Robert Dole (KS), Chairman, Senate Finance Committee as followup to coalition hearings testimony, UCPA joined with seven other national disability organizations and advocated that the "social safety net" include those direct service programs which interact with the income maintenance programs to enable disabled individuals to remain with their families or in other appropriate community settings, to become as independent as possible, and to become or remain tax paying workers. These organizations maintained that the "social safety net" for disabled persons include as an absolute minimum the following distinct programs without consolidation into block grants: (1) Title XX Social Services State Grants; (2) Medicaid including the Intermediate Care Facilities for the Mentally Retarded funding for small community residences; (3) Vocational Rehabilitation State Grants; (4) Education for the Handicapped

State Grants; (5) Developmental Disabilities State Grants; (6) Department of Housing and Urban Development's Section 202 Direct Loan and Section 8 Rent Subsidy programs; and the (7) Mental Health Systems Act, particularly those sections aimed at improving the coordination and provision of services for the chronically mentally ill.

On July 15, UCPA and 21 other national disability organizations presented a detailed briefing package to the budget reconciliation conferees and recommended that "should the conferees be forced to choose between programs, we urge that you fund basic service programs." The budget reconciliation act is P.L. 97- 35.

- Developmental Disabilities

The DD program was extended as a categorical program for three years.

(in millions)

	FY 1981	FY 1982	FY 1983	FY 1984
• State Grants	$43.1	$43.184	as '82	as '82
• Protection and Advocacy Systems	$ 7.5	$ 8.0	as '82	as '82
• University Affiliated Facilities	$ 7.010	$ 7.5	as '82	as '82
• Special Projects	$ 4.536	$ 2.5	as '82	as '82
TOTAL DD	$62.142	$61.180	as '82	as '82

The budget reconciliation bill includes the statement: "Although authorization levels were extended through 1984, this action does not preclude the possibility of considering a future consolidation of programs dealing with handicapped individuals." Readers are reminded of the June, 1981 WW (pg.2) discussion of Senator Orrin Hatch's (UT) preliminary proposal to consolidate the VR and DD programs.

- Vocational Rehabilitation

All programs of Vocational Rehabilitation were extended as categorical programs.

(in millions)

PROGRAM	FY 1981	FY 1982	FY 1983	FY 1984
• State Grants	$854.3	$899.0	$943.9	not specified
• Projects with Industry (PWI)	$ 5.5	$ 8.0	$ 8.0	not specified

- Independent Living

(in millions)

FY 1981	FY 1982	FY 1983	FY 1984
$18.0	$19.4	$19.4	not specified

These funds are again statutorily restricted to the Part B centers for independent living component of the program.

- National Institute of Handicapped Research

(in million

FY 1981	FY 1982	FY 1983	FY 1984
$35.0	$35.0	$35.0	not specified

- Education for Handicapped Children

	FY 1981	FY 1982	FY 1983	FY 1984
(1) P.L. 94-142 State Grant Program	$922 million	$969.8 million	$1.0179 billion	$1.0179 billion
(2) Pre-School Incentive Program	$25 million	$25 million	$25 million	not specified

P.L. 94-142 remained a federal categorical program with no statutory language changes.

(3) Title I ESEA Grants to School Districts	$3.70 billion	$3.48 billion	$3.48 billion	$3.48 billion
Title I ESEA set aside for the handicapped (P.L. 89-313)	$165 million	--	--	--
Title I all 3 set aside state agency operated programs including (P.L. 89-313)		14.6% or $508 million	14.6% or $508 million	14.6% or $508 million

Title I was incorporated into the "Education Consolidation and Improvement Act of 1981." Within this Act, however, Congress agreed to continue Title I as a separately funded program with an authorization level of $3.48 billion for each of fiscal years 1982-84. Of this amount a 14.6% cap will be

applied to the three State Agency Programs under Title I: Program for Migratory Children, Program for Handicapped Children, and Program for Neglected and Delinquent Children. Questions have been raised concerning the specific division of the 14.6% amount to be allocated to the three state agency programs. The various funding levels, which will be determined by the Appropriations Committees, will most likely be divided on the basis of a child count formula. There is also a concern whether a 14.6% cap may limit the benefits and natural growth of the P.L. 89-313 program in the future.

- Title XX Social Services

(in billions)

FY 1981	FY 1982	FY 1983	FY 1984
$2.9	$2.4	$2.45	$2.5

In addition, $2.6 billion is established for fy 1985 and $2.7 billion for 1986 and years thereafter.

The budget reconciliation bill establishes a new "block grant to states for social services" by amending the Title XX program. The goals of the social services program are the same as those in the existing Title XX program. There is no non-federal matching requirement; allotments are based on state population. Unexpended funds will not be reallotted to other states. Each state could transfer up to 10% of its funds to either the health or energy assistance block grants.

States would be required to develop and make public a report on how the funds are to be used, including the information about the types of activities to be funded and the characteristics of the individuals who will be served. Every two years states must prepare and make available reports showing in detail how the program funds were expended. Unlike existing law, there is no requirement that a specific portion of funds be used for AFDC, SSI, or Medicaid recipients.

In general, Title XX funds can not be used to purchase or improve land or buildings, room and board costs, wage payments, medical care, institutional services, educational services, and services in the form of cash payments. There are a few exceptions to these prohibitions and the Secretary of HHS can waive the prohibitions against medical services and purchase and improvement of land and buildings where "extraordinary circumstances" apply. The Senate had proposed some changes to the Title IV B and E child welfare services, foster care, and adoption assistance programs. These were not included in the budget reconciliation bill as sent to the President. The House passed bill would have consolidated the Community Services Administration programs with Title XX. This was rejected by the Congressional conferees. A separate Community Services Block Grant is established.

- Medicaid

Medicaid is the largest federal grant program to the states. During the budget reconciliation debate, a cap on federal expenditures was proposed but it was not a block grant issue. It is one of the most important federal programs for the disabled but will not be discussed in this paper which is

focused on block grants. Readers should refer to the August/September, 1981 WW newsletter.

- Maternal and Child Health Services

(in millions)

FY 1981	FY 1982	FY 1983	FY 1984
$457.4	$373.0	$373.0	$373.0

The newly enacted Maternal and Child Health Block Grant encompasses Title V of the Social Security Act (MCH and Crippled Childrens' Services), the SSI disabled children program, hemophilia program, sudden infant death syndrome program, genetic diseases program, and the adolescent health services program. The conference agreement states that a "reasonable proportion" of funding under this block be used "to reduce infant mortality, reduce preventable diseases and handicapping conditions, increase maternity care, increase child immunizations, and increase assessment of and services to low income children." Congress also accepted a 15% federal set aside for special projects of regional or national significance for FY 82 and a set aside of up to 15% but not less than 10% for fiscal years thereafter. The state matching requirement agreed upon was 3 state dollars for each 4 federal dollars received through the block. Neither the Senate's provision allowing for up to 10% transfer of funds to other block grants, nor the House's provision requiring a pass through of funds to county health agencies was adopted.

- Block Grant Unified Procedures

Title XVII, Subtitle C, chapter 2 of P.L. 97-35 (Sections 1741-1745) establishes unified procedures to govern all block grants received by the states. Block grant funds are those funds directly allocated to states only which are to be used at the discretion of the state under programs discontinued by the reconciliation act. As the report states, "These sections provide minimum requirements and are not intended to supersede more detailed reporting and participation provisions that may be part of individual block grants contained in this Act." These procedures "are designed to assure that all eligible urban and rural local governments, their residents, and other eligible entities are treated fairly in the distribution of such funds."

Each state is required to prepare a report on the proposed use of the block grant funds including: (1) a statement of goals and objectives; (2) information on the types of activities to be supported, geographic areas to be served, and categories or characteristics of individuals to be served; and (3) the criteria and method established for the distribution of funds, including details on how the distribution of funds will be targeted on the basis of need to achieve the purposes of the block grants. Beginning in FY 1983, the report must include a description of how the state actually spent its funds to meet its goals, objectives, and needs. The report shall be made public and states must conduct public hearings on the use and distribution of the funds it proposes. Until the federal government certifies that the state has complied with these requirements, the preexisting categorical programs shall be continued.

The General Accounting Office (GAO) "shall have access to any books, accounts, records, correspondence, or other documents that are related" to the block grant funds. Each state shall also conduct financial and compliance audits of any block grant funds received by the state. Such audits shall be conducted every two years following GAO established standards. The conferees stressed that the audits "be uniform from state to state and among grant programs."

SIGNIFICANCE OF FEDERAL FINANCING OF HUMAN SERVICES IN TERMS OF STATE/LOCAL GOVERNMENT

- Federal Aid as a Percent of State and Local Government Receipts

The Advisory Commission on Intergovernmental Relations (ACIR) has provided the following projections based on the Administration's budget proposals:

1) Peak year - 1978 - 31.7%
2) 1979 - 30.9%
3) 1980 - 31.7% - matched the peak year
4) 1981 - 29.5%
5) 1982 - 24.3%

- Federal Budget Reductions Impact on State and Local Governments

The National Governors' Association (NGA) has projected the impact of the Administration's budget proposals in the following way: 30% of the FY 1982 outlay savings and 60% of the FY 1982 budget authority savings comes directly from state and local government aid.

- State Financial Situations

The NGA has also provided the following data as of December, 1980:

(1) 21 states were experiencing revenue shortfalls.
(2) 17 states had imposed across-the-board spending cuts.
(3) 12 states had frozen capital projects.
(4) 19 states had imposed a total of 28 tax increases in 1980.
(5) Year-end balances as a percent of expenditures were:
    a) 1978 8+%
    b) 1980 almost 9%
    c) 1981 3%
    d) 1982 little over 2%

The Tax Foundation has estimated that legislation proposed this year by the nation's governors would raise state taxes by $3 billion, continuing a trend begun last year, when tax increases outpaced tax cuts for the first time since 1978 (the year of Proposition 13).

- Federal Tax Cut = Reduced State Tax Revenue

In addition to the impact of reductions in direct federal assistance to state and local governments from the Budget Reconciliation Act, P.L. 97-34, the new tax reform act, will result in automatic state tax reductions.

Most of the state reductions will be in business taxes. The accelerated depreciation formula, which allows businesses to write off the cost of new plant and equipment faster than they can now, will have an almost immediate impact while personal income tax changes will not actually be felt by states and counties where there are tie-in formulas until 1983. Many state tax codes are directly linked to the federal Internal Revenue Code, so state revenues automatically fall as federal tax rules are changed.

Projections of the actual impact are quite soft. In an August 14, 1981 Washington Post article, "Federal Tax Cuts to Cost States Billions," Thomas W. Lippman has quoted two preliminary studies. The NGA projects the impact to be a $2.3 billion further reduction in state tax revenues in 1982 FY because of the federal tax changes. As the more generous federal depreciation allowances for business take full effect, this projected figure will raise quickly. Citizens for Tax Justice, an organization financed by organized labor and some public interest groups, predicted states could lose $27.5 billion over the next six years from the new depreciation formula and the annual total cost to the states could reach $10.2 billion by 1986.

- Economic Impact of Federal Assistance

In a spring 1981 Political Science Quarterly article, "The Centralizing Effects of Austerity on the Intergovernmental System," Charles H. Levine and Paul L. Posner maintain that the combination of resource scarcity and the requirements of federal grants, in combination, are eroding state and local government autonomy. Federal assistance frequently stimulates greater public expenditures and distorts priorities. Displacement effects occur when local funds are used as federal categorical grant matching funds rather than for some other purposes that may have greater local priority. The current period of austerity encourages local resources to be stretched as far as possible. The result is that local governments have increased their revenues while increasing their dependency on the federal government. The authors observe that "there is evidence to indicate that local governments experiencing budget cuts will tend to protect federally funded programs at the expense of their own locally funded programs."

Levine and Posner cite a 1976 ACIR study which stated that it had become difficult to identify "a single major state and local function in which the federal government was not involved." They conclude, "in a uniquely American fashion, the United States may be on the way to buying a unitary style of national government through the grants system by enticing states and localities to adopt the growing federal agenda of priorities and policies."

- Summary

With less federal revenue and fewer categorical requirements, the incentives for state and local governments to meet previously defined federal priorities will clearly diminish. A simultaneous loss in state tax revenues because of the linkage to federal tax reductions must result in either states raising taxes or reduced services or both.

CAN CHARITY MATCH FEDERAL REDUCTIONS?

An assumption of many advocates of the block grant approach and the elimination or reduction of federal funding of human services programs is that the nonprofit charitable sector will be able to match much of the federal financial reduction.

- Philanthropic Giving

In Giving USA, the 1980 annual report of the American Association of Fund Raising Counsel, in 1979 a combined total of $16.290 billion was contributed by individuals, corporations, and foundations for education (mostly higher education), health, hospitals, and social welfare. This accounted for 37.5% of all philanthropy. The fiscal year 1981 Department of Housing and Urban Development Section 8 housing rent subsidy program appropriation is $19.7 billion, as a comparison. A further comparison is the Medicaid federal contribution of $15.7 billion.

Brian O'Connell, Executive Director, Independent Sector, in an April 21, 1981 Washington Post column, "Will Philanthropy Fill the Gap?," has discussed what can be expected from private giving. Corporate philanthropy has experienced a 12% average growth rate each of the years 1978, 1979, 1980. If the 12% rate is retained in 1981, only $300 million nationwide would be the net increase and O'Connell believes this 12% projection is optimistic. Even with this growth, corporate philanthropy accounts for only 5% of the annual total gifts to charity. The new tax reform act (P.L. 97-34) contains a provision increasing the limit on charitable contributions by corporations from 5% of taxable income to 10%; however, in a March 19, 1981 Congressional Record statement, Senator David Durenberger (MN), Chairman, Senate Intergovernmental Relations Subcommittee, has documented that the national average of corporate giving is less than 1%.

In 1970, Foundation giving, according to O'Connell, represented 10% of all U.S. philanthropy. In 1980, Foundation giving accounted for only 5% of giving. Unless federal regulations are substantially revised and unless the stock market booms, O'Connell expects little growth in giving from this sector.

Personal giving now represents 90% of U.S. philanthropy, according to O'Connell. Personal giving has been declining as both a percent of personal income and gross national product. P.L. 97-34 contains the charitable contributions incentives advocated by Independent Sector and most of the voluntary organizations, such as UCPA. The charitable deduction is currently only available to people who itemize their income tax. The number of taxpayers who take the standard deduction has increased over the last ten years (roughly two-thirds of all taxpayers now elect the standard deduction), and the amount of contributions to public charities has decreased substantially. Taxpayers who presently elect the standard deduction do not get a tax reduction for what they give, whereas taxpayers who itemize are entitled to a reduction in their tax. Under the new provision, taxpayers who elect the standard deduction could now deduct for charitable giving effective January 1, 1982. To reduce the impact of revenue loss on the federal treasury, a phase-in schedule is established, as follows:

Year	Charitable Contribution Deduction from Taxable Income
1982	25%, not exceeding $100
1983	same
1984	25%, not exceeding $300
1985	50%, with no limit on contributions
1986	100%, with no limit on contributions

The new provision expires at the end of 1986. Mr. O'Connell estimates the full impact of this law could result in a 10-to-15% increase in personal giving.

If one assumes an optimistic growth rate of 15% in both 1980 and 1981 in all charitable giving for eduction, hospitals, health, and social welfare, one can project an increase from the 1979 level of $6.109 billion to $8.079 billion in 1981. This compares with a federal budget reduction of roughly $35 billion in domestic spending from the FY 1981 level to FY 1982. Senator Durenberger quotes Mr. O'Connell as observing, "I caution that we in the voluntary sector -- and those in the new Administration -- not give a false impression that voluntary organizations can substitute for the necessary role of government in a vast array of services, such as public welfare and the enforcement of civil rights."

- Federal Budget Reductions Impact on Nonprofit Organizations

Independent Sector and the National Society of Fund Raising Executives commissioned a report published in June, 1981 by the Urban Institute titled, The Federal Government and the Nonprofit Sector: Implications of the Reagan Budget Proposals. The report, published prior to the final budget reconciliation decisions, made the following observations:

> "1. The proposed Reagan budget cuts, if enacted, would significantly reduce the revenues available to a wide assortment of private, nonprofit organizations, ranging from symphony societies to social welfare agencies, from private colleges to local community organizations. These impacts result from the fact that nonprofit organizations have become active partners with the federal government in a broad range of public purposes...
>
> 2. ....Nonprofit organizations stand to lose $4.8 billion in revenues in FY 1982 alone, and $27.3 billion during 1981-1984, as a consequence of the reductions proposed in the Reagan budget package. This represents a reduction 9.7% in FY 1982, and 13.1% in fiscal years 1981-1984, below the outlay levels projected in the official budget submitted in January 1981 by the previous Administration. Expressed in constant terms, these cuts reduce federal assistance to nonprofit organizations 12.2% below 1980 actual outlays in FY 1982, 22.7% in FY 1983, and 26.3% in 1984.

3. Nonprofit organizations involved in social welfare and education activities will be most heavily affected by these cutbacks, with revenue lossed during 1981-1984, of $18 billion and $5 billion, or 50.3% and 18.4% respectively, compared to January estimates. Expressed in constant dollar terms, federal support of nonprofit organizations in the fields of social welfare, health services, the arts and conservation will decline by at least one-third below actual 1980 levels during the 1981-1984 period if these proposals are enacted.

4. For private philanthropy to keep pace with inflation and also offset the loss of revenue to nonprofit organizations resulting from these budget reductions, private giving in 1982 would have to increase by 26 percent over its 1981 level, or about three times faster than its rate of increase over the recent past. In 1983 and 1984, the comparable rate of increase needed in private giving would be 39 percent and 44 percent, respectively...."

Senator Durenberger quoted Jim Castelli from his article, "Charities Concerned About Budget Impact," that voluntary agencies are now in "double jeopardy;" they will be asked to serve more people with less money.

ROUND TWO: SENATE BILL 807

The August Congressional recess can be viewed as completing the first round of eight in the Administration's four year term. Shortly after the Congress had completed their work on the budget, President Reagan addressed the National Conference of State Legislatures. He observed that "many of our block grant proposals are still on the (Capitol) Hill." He declared that he plans to "go back, go back, and go back again" to Congress until his original block grant package is enacted. Robert Carleson, special assistant to the President for domestic policy development, told the state legislators that the Administration will shortly terminate as many administrative requirements in remaining categorical programs as it can and operate them "just like block grants."

The Senate Committee on Government Affairs has reported a bill (S.807, S. Rept. 97-136) to simplify and coordinate the management of federal assistance programs. Among the bill's provisions are items which could jeopardize categorical programs for the disabled and undermine federal assurance of civil rights protections. Round two could begin when Congress returns on September 9, 1981 with a Senate floor debate on S. 807.

There are six titles to S. 807, the "Federal Assistance Improvement Act of 1981." The bill's report observes that "federal assistance has become the primary method of delivering federally mandated services to the public;" however, these "programs are affected by serious and costly administrative problems...The fragmentation, lack of coordination, flexibility, and costly nature of the modern federal assistance system has become a problem at all three levels of government."

- Consolidation of Federal Assistance Programs (Title I of S. 807)

The Committee report identifies roughly 500 federal assistance programs for state and local governments and documents that 450 of these accounted for only 10% of the nearly $90 billion spent on these programs annually. The report then observes that "many of the problems associated with the federal assistance system are attributable to the excessive use of relatively small, narrow purpose categorical grant programs." This observation leads the Committee to conclude that "one approach to improving efficiency and economy in the management of federal assistance is consolidation of small categoricals into larger, more flexible block grants."

Title I of S. 807 establishes a procedure for the "expeditious Congressional consideration of legislative proposals" to consolidate federal programs as prepared by the President. The programs to be consolidated must either be in the same budget function or have the same beneficiaries and recipients. Under the bill, the President sends a consolidation plan to the Congress. The committee with primary jurisdiction over the programs to be consolidated has 60 days to act. If the committee votes to disapprove the plan, it is defeated. However, if the committee does not vote on the plan, it is automatically sent to the floor of the Congress. On the floor, the plan can not be amended; it must be voted up or down. A committee of secondary jurisdiction cannot stop a plan even by voting to disapprove it.

- Financial Management and Audits (Title II of S. 807)

The bill would provide for the establishment of consistent requirements for the financial management and audit of federal assistance. The Office of Management and Budget (OMB), in consultation with the General Accounting Office (GAO), would establish standard accounting, auditing, and financial management requirements for federal programs. In addition to promoting a single, independent financial audit of state and local governments and non-profit agency recipients, the bill would allow the development of standardized accounting principles, reimburse recipients for the costs incurred in the performance of audits of federal programs for the federal government, and require federal agencies to rely as much as possible on audits arranged by grant recipients.

- Standardizing Cross-Cutting Requirements (Title III)

"Cross-cutting" requirements are those requirements applicable to all or most federal assistance programs and are attached to such programs as a method of achieving certain national policies which transcend the particular grant program. There are at least 59 existing cross-cutting requirements; 26 involve socio-economic goals and 23 involve administrative or fiscal management objectives. The Architectural Barriers Act and Section 504 non-discrimination requirements are examples of these requirements.

The Committee observes that "it has become increasingly apparent that such requirements add unnecessary administrative costs to grant programs, cause greater confusion between grantors and grantees, reduce the effectiveness of many national policies, and help to create a grant system of incredible complexity." S. 807 would require the President to designate a single agency

to be responsible for coordinating the development and implementation of one or more requirements. Title III of the bill would also allow recipients to be certified for compliance. Once certified, the federal government would be required to accept grantee assurances without additional qualification and paperwork. In addition to uniformity and standardization of requirements, certification of compliance could be granted if state and local government requirements are "comparable" to the applicable federal requirements. The report declares, "It is the Committee's intent that these certifications be granted to recipients liberally, especially to those who have had good compliance records in the past." The term "at least equal to applicable federal requirements" means "substantially similar in design and intent" and "similar in terms of the practical effect."

- Joint Funding Process (Title IV)

Title IV of the bill amends the Joint Funding Simplification Act of 1974 to permit recipients of federal assistance to draw upon resources from more than one federal agency for a single project and to administer these funds as though they came from a single funding source. In instances where joint funding proposals are adversely affected by varying or conflicting technical or administrative rules and procedures which are not statutorily based, federal agencies are required to adapt uniform provisions. Uniform procedures for application processing, project supervision, single payment, single letter of credit, and direct charge system for accounting would be established.

S. Rept. 97-136 is full of little items of controversy which Congress has historically rejected. Title IV contains a provision whereby "upon the request of the appropriate state official and when in accord with applicable state or local law, federal agency heads are required to waive single state agency requirements placed in federal legislation which impede the development of joint funding projects."

The Committee describes joint funding as a "middle range response to the undesirable side effects of grant system growth. The process seeks simplification and flexibility without confronting the political hurdles encountered by true structural reforms such as grant consolidation and program devolution."

- Integrated Assistance (Title V)

Regarding Title I grant consolidation, the Committee recognizes that "it may prove difficult politically to consolidate some categorical programs and there are problems which simply are better suited to the use of categorical strategies." Given this observation and the anticipation of reductions in federal aid, S. 807 in its Title V allows federal recipients new flexibility in targeting assistance to interrelated problems. Title V is optional; state and local governments will participate only if they elect to do so.

Grantees would prepare an integrated program plan for assistance programs. The plan would spell out how the previously separate programs included in a plan would fit together. Each plan would be submitted in lieu of the separate applications which are normally required. Plans could shift up to 20% of the funds sought for any of the programs covered to others included in the plan. Federal agency directors, following OMB guidelines, would have to approve all integrated plans. Each plan would be effective for only one year. Integrated plans must be functionally related.

- Miscellaneous Provisions (Title VI)

Title VI of S. 807 authorizes a number of technical amendments to federal assistance. The bill would repeal existing and authorize a standard maintenance-of-effort requirement for federal assistance programs. The bill attempts to remove federal grant conditions which interfere with the role of state legislatures. The bill also establishes procedural safeguards for federal assistance recipients regarding funding withdrawal or modification and authorizes further studies and assessments of the administrative costs of federal grant programs.

- Advocacy and Comments

Because of other pressing issues, such as block grant proposals and budget reconciliation, few disability organizations have been involved with the Senate on S. 807. UCPA and the Council for Exceptional Children (CEC) have worked on the bill. Many of the non-disabled social welfare groups have launched a campaign to outrightly defeat S. 807. UCPA has not joined this effort. S. 807 proposes many needed improvements in the federal assistance system after a decade of study by the Advisory Commission on Intergovernmental Relations. UCPA supports reform and improvement.

However, there are nine provisions in S. 807 which UCPA has objected to. Three relate to the Title I grant consolidation procedures: (1) allowing consolidations in the same budget functions which translate into all human service programs and well beyond programs for the disabled, (2) mandating automatic reports from the committee to the floor within 60 days even if the committees have not voted, and (3) prohibiting any floor amendments or changes to the reported consolidation plan. Regarding the Title III cross-cutting area, UCPA fears the onetime permanent certification of compliance as well as the acceptance of "comparable" or "at least equal" requirements. The sixth concern of UCPA is the Title IV waiver of existing statutory state agency requirements. Concerns with Title V integrated assistance are related to the 20% transfer of funds procedure as well as the use of the broad "functionally related program" concept. The ninth and last concern is with the gap between repeal of the existing maintenance of effort provisions and the enactment of the standardization requirement. These concerns have been communicated to the Senate leadership involved with programs for persons with disabilities on several occasions. Several senators have placed a "hold" on the bill which means it can not be placed on the floor calendar without a procedural vote.

- Administration Task Forces

On April 8, 1981, President Reagan established the Presidential Federalism Advisory Committee chaired by Senator Paul Laxalt (NV). The committee is composed of six governors, six state legislators, five mayors, six county officials, six U.S. Senators, six U.S. Representatives, and five private citizens. The purposesof the committee are to provide for "(1) full and adequate input to the President on federal legislative proposals impacting on the states and localities; (2) advice for the Administration in implementing its federalism proposals; and (3) assistance in developing long-term policies to reverse the current trend of greater control over state and local programs by the Federal government."

Additionally, Department of Health and Human Services Secretary Richard Schweiker has appointed a task force to help the Department implement the change from federally operated categorical programs to block grants. Representatives from the National Association of Counties, the National Governors' Association, the National Conference of State Legislatures, the Conference of Mayors, the League of Cities, and the Indian Tribal Organizations are to develop a transition strategy that HHS will present to state, county, and local governments.

Missing from both groups are voluntary associations, consumers of government services, and providers of government services.

MORE ON THE STATE-OF-THE-ART

The February, 1981 WW Analysis on federal grant consolidation, having reviewed many documented experiences with previously implemented block grant programs, reached the following preliminary conclusions:

- Administrative costs, duplication, and confusion can be reduced; however, these are isolated successes when compared to the universe of integration experiences. There is no firm evidence that economics, cost containment, or more effective services result.

- Evidence of what works and what does not has been singularly lacking.

- Removal of categorical targets weaken the influence and visibility of categorical interests at the state and local level. Targeting remains substantial though not to the prior degree.

- State officials would mix and match human services in different ways if it were not for federal categorical restraints.

- The prime movers for consolidation are governors, legislators, county commissioners, and their appointed officials. Professional and consumer influence clearly diminish with integration efforts. The position one occupies in the system influences perception.

A few other studies have come to this writer's attention since publication of the February paper.

- Community Development in Connecticut

The spring 1981 Political Science Quarterly included a Charles H. Levine book review of Donald F. Kettle's Managing Community Development in the New Federalism. Kettle studied CD experiences in New Haven, New London, Bridgeport, and Norwich. He concluded that local politics and bargaining tended to produce projects that were scattered, short term, and neighborhood based. Some cities used their CD funds to provide tax relief. Levine concludes that "the tendency of elected officials to meet the short term political demands of their constituents led to the failure of the cities to design programs that linked projects to long-term economic and community development plans. Furthermore, the tremendous infusion of federal funds created several administrative problems resulting from an overload on the administrative capacity of the city governments." Kettle recommends that "The obvious strategy is a mixed set of categorical grant programs to meet long-term redistributive problems and block grants to meet small but important problems that might otherwise fall between the cracks."

- State Assistance and Community Needs

A May, 1981 ACIR study on the states and distressed communities (as quoted by David S. Broder in "Of Mayors and Players" in the June 16 Washington Post) concluded that "only a handful of states have ventured to develop broad and comprehensive strategies which can bring state assistance to bear on community problems in a coordinated fashion."

BLOCK GRANTS AND BUDGET SAVINGS

The Administration, as late as August 7, 1981 in a letter to UCPA from Virginia H. Knauer, Special Assistant to the President for Health and Handicapped Issues, continues to argue, without substantiation other than quoting itself, that block grants with a 25% reduction in funding from the 1981 level "need not result in a reduction of services" because of "significant savings in program overhead and more efficient service delivery due to the elimination of overlapping service responsibilities."

However, several organizations, including the National Governors' Association (NGA) which generally favors block grant approaches, believe that services will be reduced. In their March 16, 1981 testimony to the House Committee on the Budget, NGA observed: "The governors have estimated the administration savings of block grants at about 10%; the administration is proposing cuts of 25%, not including inflation in fy 1981. There is thus little doubt that the block grants will result in some reduction in services..."

In a May 1, 1981 analysis prepared at the request of the U.S. House of Representatives, the Congressional Budget Office (CBO) has questioned the saving of administration costs under the Reagan Administration's block grant proposals. The report, "Effects of Grant Consolidation in Education, Health, and Social Services on Administrative Costs," concludes that "while there might be offsetting savings, any such amounts offset are likely to fall far

short of the proposed cuts. Indeed, there is some reason to expect that consolidation might even increase administrative costs and inefficiency, particularly in the short term." The CBO cautions that available data do not permit precise estimates and that the effects of consolidation will vary among proposed block grants because of differences among the services involved.

Administrative savings could occur because federal paperwork requirements would be reduced, administrative functions may be consolidated, duplication of services may be reduced, coordination of services may be increased, and services could be tailored to state and local needs. However, costs and inefficiencies could increase given the following four items:

(1) Historical experience indicates states do not always set up efficient systems even when given substantial flexibility. In a recent General Accounting Office (GAO) audit of the Title XX Social Services Program, in 24 of the 42 cases reviewed, service contracts were so vague that there was no way to precisely know what services were being bought at what rate of reimbursement.

(2) Block grants would impose large additional administrative burdens on the states, particularly in the short run, because of such factors as reorganization, recruitment, and retraining.

(3) At least initially, in previous block grant programs administrative costs have been higher than in categorical programs.

(4) Duplication of services is not the problem the Administration claims it is. In another recent GAO report, little duplication was found in the federal elementary and secondary education programs.

Administrative costs under existing categorical programs vary greatly, both among programs and among jurisdictions. For example, ESEA Title I administrative costs varied from 2% to 25%; national Title I costs of 10% contrast with Emergency School Aid Program costs of 23%. Additionally, a large proportion (55%) of funds to be block granted currently flows through the existing block grants of Title XX and Low Income Energy Assistance thus lessening the potential for administrative savings under the Administration's plan.

UCPA AFFILIATE BLOCK GRANT QUESTIONNAIRE RESULTS

The February WW Analysis included a questionnaire on block grants. Because of the poor response and at the request of the Association of Professional Workers in Cerebral Palsy, on April 17 the questionnaire was mailed again to all affiliates. The questionnaire responses follow shortly.

Only 31% of the affiliate executive staff and 6% of the affiliate volunteer leadership returned questionnaires. John H. Noble, Jr., Ph.D., Senior Policy Analyst, Office of the Assistant Secretary for Planning and Budget, U.S. Department of Education, was asked to review the questionnaire tally. He concluded, "Unfortunately, the response rate compromises just about any analysis that you might undertake....It is a pity that one of the most significant and profound public policy issues of the last decade provoked so little response to the UCPA inquiry and plea for affiliate guidance. Whether or not block grants are in our future, your questions attempt to gather information for setting a constructive agenda for advocacy and lobbying. I think it worthwhile to make one last try to get better response and information from your affiliates." This paper includes the brief questionnaire; all affiliate executives and presidents not listed on pages 28 - 29 of this paper are requested to please return the questionnaire contained as the last section of this paper.

The UCPA governmental activities committee and staff have attempted to strongly defend the need for the basic federal-state service programs for the disabled while in no way defending the current structure and administration of federal programs. A reasonable and rational approach of accepting change while defending essential services has been advocated. This approach has been accepted by bipartisan consensus of the Congress in the Budget Reconciliation Act. To be successful in the future, both UCPA's Washington office and Congress must hear from lay volunteers, affiliate directors, parents, and consumers.

A few findings from the questionnaire results which follow are important:

- By 57 to 9, responding affiliates believe that categorical targeting of funds on the handicapped outweight administration savings of block grants.
- By 56 to 16, responding affiliates believe that state and local government should not have full authority to decide if disabled persons are served.
- By 63 to 8, responding affiliates believe that block grants will result in a decline of services to persons with disabilities.
- All respondents believe that block grants will not result in any increases in governmentally financed services provided by non-profit organizations.
- By 69 to 3, affiliates recommended that UCPA continue to advocate federally prescribed programmatic criteria in government programs serving the disabled.

QUESTIONNAIRE RESPONSES

1)	Responding UCPA Affiliates		
	a) Affiliate executive directors		42
	b) Affiliate executive directors who are also either a person with a disability or a parent of a person with a disability.		6
	c) Non-executive director affiliate staff member.		11
	a) Such person also has a disability	(1)	
	d) Affiliate board of director member		10
	a) Such person also is a parent of a person with a disability.	(3)	
	b) Such person also has a disability.	(2)	
	e) Affiliate volunteer		4
	a) Such person also is a parent of a person with a disability.	(1)	
	f) Affiliate executive staff who did not fill out the questionnaire but endorsed the April 10 eight national disability organization advocacy approach articulated to the Senate Finance Committee.		2
Total responses			75

2)	Percent Response	
	a) Total response (247 affiliates; 188 with executive directors = 435 questionnaires mailed)	17.2%
	b) Responding affiliate staff (out of 188)	31.4%
	c) Responding affiliate volunteers (out of 247)	5.7%

3) Should UCPA support the development of human services integration defined as "the common location of related services activities, a single intake system for new clients, and delegation of authority to supervise and coordinate services to local, nonspecialist administrators?"

	Yes	No
a) Affiliate executive directors	12	15
b) Affiliate parent/consumer executive directors	0	4
c) Affiliate staff	3	2
d) Affiliate board	5	3
e) Affiliate volunteer	3	1
Total responses	23	25

4) Should federal/state funding applications, audits, reports, and evaluation forms for human services programs be consolidated and standardized?

	Yes	Yes, No Depending on the Program	No
a) Affiliate executive directors	27	1	5
b) Affiliate parent/consumer executive directors	5		1
c) Affiliate staff	8		2
d) Affiliate board	7		2
e) Affiliate volunteer	3		1
Total responses	50	1	11

5) Do you believe that program consolidation will result in less costly government?

	Yes	No
a) Affiliate executive directors	16	26
b) Affiliate parent/consumer executive directors	1	5
c) Affiliate staff	3	8
d) Affiliate board	4	6
e) Affiliate volunteer	2	2
Total responses	26	47

6) Do you believe that program consolidation will result in more coordinated and integrated human services?

	Yes	No
a) Affiliate executive directors	14	28
b) Affiliate parent/consumer executive directors	1	5
c) Affiliate staff	3	8
d) Affiliate board	5	5
e) Affiliate volunteer	1	3
Total responses	24	49

7) Assuming that categorical programs with their separate targeting and paperwork do increase the administrative cost of government, does the guarantee of funds to persons with disabilities still outweigh these administrative burdens?

	Yes	No
a) Affiliate executive directors	33	3
b) Affiliate parent/consumer executive directors	5	1
c) Affiliate staff	9	2
d) Affiliate board	7	2
e) Affiliate volunteer	3	1
Total responses	57	9

8) What has been your experience with General Revenue Sharing, CETA, and Community Development?

	Experience	No Experience
a) Affiliate executive directors	21	21
b) Affiliate parent/consumer executive directors	2	4
c) Affiliate staff	6	5
d) Affiliate board	5	5
e) Affiliate volunteer	1	3
Total responses	35	38

- Experience of Affiliate Executive Directors
  1) Terrible. They are no real help for the disabled. We lose out to the minorities.
  2) CETA and Revenue Sharing = fair; CD = 0
  3) Poorly administered and arbitrary in whom they serve.
  4) Affiliate has received modest funding from all three sources: $25,000 per year from county GRS, a few successful O.J.T. contracts and individuals who have become full-time UCPA staff under CETA, and $5,000 CD funding to help remodel our building.
  5) Very little attention.
  6) Not a dime.
  7) Only CETA has been helpful. The other two programs have been non-responsive.
  8) Totally negative (two such responses).
  9) CETA has been responsive to assisting the disabled.
  10) GRS has been only used to lower taxes.
  11) Too much political influence in allocating these funds.
  12) GRS is totally negative but CETA has been responsive in providing clerical staff.
  13) For 6 years, UCP has received GRS for diagnostic clinical services.
  14) CETA experience has been fair.
  15) CETA funds have been used extensively; students have been hired for weekend and summer programs, handicapped persons have been trained to be UCP staff, and CETA has allowed the purchase of special equipment so we could hire these handicapped trainees.
  16) CETA has been utilized for several years and is an important funding source for our center.
  17) CETA has been excellent.
  18) Our experience with all three has been fairly good. With GRS, two counties have allocated funds for human services and in three counties commissions are well organized and administered. Our relationship with CETA has been good; we have been able to build staff through this process. We have received no CD funds but we have been successful in promoting use of these funds for barrier free conditions.
  19) CETA is more trouble than it is worth.
  20) Poor.
  21) CETA has been an excellent source of non-professional staff.

22) General Revenue Sharing: A specific request was made to one of our county service areas for funds to be used for facility renovation in order to comply with licensing requirements of the Pennsylvania Department of Public Welfare, Office of Mental Retardation and to be able to provide services which the county commissioners buy through the MH/MR office. Request was flatly refused on the basis that the County will use its Revenue Sharing for County Commissioner projects.

Community Development: No experience.

CETA: Very beneficial, positive experience.

1. For three years conducted a Work Experience Training Program. Did not cover any program costs for our clients but did cover some staff salaries and provided a pool of aides with the program. Also were able to employ some of the trained aides then as CETA-PSE-Title II-D staff.
2. For 4 years we have had 1-2 PSE staff persons allotted to us. This has enabled us to keep our program open without interruption, to make improvements to it, and to meet the demands for it.
3. We have been able to open a program in one county because we had a CETA employee. We subsequently hired that person on the agency payroll and replaced her with another CETA aide. Program has grown in quality and increased in numbers of clients.
4. Through the Summer Youth Employment Program we have been able to offer summer recreation activities to 14-21 year olds, for whom no program was available. In 1980, 15 youth participated, projected for 1981 is 30 youth.

- Experience of Parent/Consumer Executive Directors

1) GRS from city and town government has been obtained. CETA has been a source for additional staff; however, the overall program has evidence of abuse, inconsistencies, and ineffectiveness. CD = nothing.
2) GRS is folded in the government's budget and one never sees it again.
3) CETA has benefitted some handicapped persons but these benefits are overset by fraud.
4) CD has resulted in a few curb cuts but mostly has been used for the construction of fire stations, libraries, etc.
5) CETA is the only program of the three that has worked well.
6) GRS was used at first for human services but the last two years have been restricted to lowering taxes.

- Affiliate Staff

1) We have been successful in obtaining these funds.
2) CD has been used to modify homes and apartments for wheelchair users. We have had no experience with GRS or CETA.
3) We have used CETA workers in our IL program.
4) CETA enabled the start-up of some of our service programs but there was excessive and duplicatory paper work and reports as well as unnecessary hiring restraints.
5) CETA has been helpful in filling the gap between funding levels and service levels (ratios) required by regulations. CETA has been helpful in training workers in human services marketable skills; however, because of funding problems this training frequently results in a lack of employment.

6) CETA, if allowed to work as designed, is an excellent program. We have an individual on staff who was originally employed through CETA.

- Board of Directors
  1) CETA is beset with abuses.
  2) With all three, costs greatly exceed benefits.
  3) We have had very good experiences with CETA.
  4) Except for our executive director, primary staffing of our affiliate was CETA positions.
  5) We have had minimal experience with all three; however, every effort we have made has been positive.
  6) Our experience has generally been good for all categories except GRS.

- Affiliate Volunteers
  1) Manure.

9) If you are from Washington, Florida, Georgia, Arizona, Minnesota, New York City, or California, are the descriptions of experience located on pages 11-13 and 14-15 accurate? These are descriptions located in the February, 1981 WW Analysis, "Preparing for Federal Grant Consolidation: A Rexamination and Search for Affiliate Guidance."

	Yes	No
a) Affiliate executive directors	5	0
b) Affiliate parent/consumer executive directors	0	0
c) Affiliate staff	3	0
d) Affiliate board	0	0
e) Affiliate volunteer	2	1*
Total responses	10	1*

* A respondent from the state of Florida. The Florida respondent answering no did not specify where the inaccuracies occurred. The other Florida respondent did share a report and answered yes. A summary of the report follows.

In March, 1981, an Ad Hoc Study Group on Vocational Rehabilitation, appointed by Governor Bob Graham at the request of Representative Ron Johnson, issued its report on the Florida human services reorganization. The report contained the following findings:

1) VR counselor salaries were not competitive with either the private sector or other states in the region.
2) There was no career ladder system within the VR program.
3) VR counselor turnover rates were unacceptally high.
4) Adequate training opportunities were not available to VR staff.
5) The secretary-to-counselor ratio was inadequate.
6) Salary levels for secretaries were inadequate.
7) "Collocation has had a significant negative impact on the Vocational Rehabilitation and clients" including;

a) Inadequate office space for counselors and secretaries,
b) Counselors were required to share offices in a number of situations limiting their ability to serve clients in a positive and confidential setting,
c) Many offices were inaccessible to the physically handicapped,
d) non-welfare disabled clients were discouraged by the welfare nature of the office, and
e) Parking for the disabled was inadequate.

8) District fiscal offices were understaffed resulting in damage to the financial support of the VR program.
9) Time-consuming procedures, paper work, and process were required because of the hierarchy for purchasing equipment and supplies.
10) There were excessive paperwork requirements which had no relationship to the VR program.

The study group voted 6-2 to recommend disassociation of the VR program from the Department of Health and Rehabilitation Services with the following observation: "It must be recognized at the outset that a major philosophical difference exists between the Vocational Rehabilitation work philosophy and the philosophy of other non-work oriented programs within the Department of Health and Rehabilitation Services."

10) Should federal human services dollars be specifically targeted to (all appropriate categories could be marked):

Possible Categories	Executive Directors	Parent/Consumer Ex. Directors	Staff*	Board Members	Volunteer	Total
a) the mentally disabled?	18	3	3	6	2	32
b) the physically handicapped?	20	3	1	7	1	32
c) the developmentally disabled?	27	4	6	7	3	47
d) the severely disabled?	26	2	6	5	2	38
e) the disabled?	23	1	5	3	2	34
f) each and every category of disability such as cerebral palsy, autism, mental retardation?	10	1	3	8	2	24
g) the socially and economically disadvantaged?	13	4	7	5	1	30
h) those with low incomes?	11	3	4	5	1	24
i) service areas (such as education, housing, health, respite care) without targets to specific populations?	15	3	7	5	0	30
j) senior citizens (added by respondent)	0	1	0	0	0	1

*One staff respondent recommended that any category be federally defined to ensure nationwide consistency and uniformity.

11) Should state and local government be given the authority to decide who receives federally financed services and under what conditions?

	Yes	No
a) Affiliate executive directors	7	35
b) Affiliate parent/consumer executive directors	1	5
c) Affiliate staff	5	6
d) Affiliate	2	7
e) Affiliate volunteer	1	3
Total responses	16	56

12) If the federal government enacts block grant legislation in the human services field, do you believe benefits to persons with disabilities will decline?

	Yes	Not Sure	Short Term, Yes; Long Term, No	No
a) Affiliate executive directors	36	1	0	6
b) Affiliate parent/consumer executive directors	6	0	0	0
c) Affiliate staff	10	0	0	1
d) Affiliate board	7	0	1	1
e) Affiliate volunteer	4	0	0	0
Total responses	63	1	1	8

13) If the federal government enacts block grant legislation in the human services field, do you believe the nonprofit sector, such as UCPA affiliates, will receive (respondent could only check one):

	Greater Govt. Funding	Less Govt. Funding	Short Term, Yes; Long Term, No	About the Same Amount of Govt. Funding as now
a) Affiliate executive directors	0	32	0	11
b) Affiliate parent/consumer executive directors	0	6	0	0
c) Affiliate staff	0	10	0	1
d) Affiliate board	0	5	1	3
e) Affiliate volunteer	0	4	0	0
Total responses	0	57	1	15

14) Should state and local government be allowed to meet federal regulations through a "substantially equivalent" test rather than through exact compliance standards?

	Yes	No
a) Affiliate executive directors	14	22
b) Affiliate parent/consumer executive directors	1	4
c) Affiliate staff	4	6
d) Affiliate board	5	4
e) Affiliate volunteer	2	1
Total responses	26	37

15) Should human services be better coordinated? If yes, do you support any of the following programs as the lead agency coordinator (all appropriate agencies could be checked):

	Answered No	Developmental Disabilities	Title XX Social Services	Health Planning	Umbrella Human Services Agency	Education
a) Affiliate executive directors */**	2	22	7	5	13	4
b) Affiliate parent/consumer executive directors	1	4	0	0	1	0
c) Affiliate staff	1	3	4	2	4	3
d) Affiliate board	0	5	6	2	4	5
e) Affiliate volunteer	0	1	0	0	2	1
Total responses	4	35	17	9	24	13

*One respondent replied that coordination by program or agency could not be done; coordination can only occur at the client level.

**Another respondent replied that coordinating unfunded programs will not achieve a thing. This is the problem with the DD program. Adequate funding, not coordination, is the real problem.

16) Should UCPA support the consolidation of federal human services programs?

	Yes	Middle Ground	No
a) Affiliate executive directors	13	1	24
b) Affiliate parent/consumer executive directors	0	0	6
c) Affiliate staff	4	0	6
d) Affiliate board	3	0	6
e) Affiliate volunteer	1	0	3
Total responses	21	1	45

17) Even if dollars continue to be targeted to persons with disabilities under a block grant approach, should UCPA continue to advocate federally prescribed programmatic criteria (such as individual program plans, consumer involvement, least restrictive environment, due process protections, and community integration)?

	Yes	Yes, Responsible Ones	No
a) Affiliate executive directors	39	1	2
b) Affiliate parent/consumer executive directors	6	0	0
c) Affiliate staff	11	0	1
d) Affiliate board	9	0	0
e) Affiliate volunteer	4	0	0
Total responses	69	1	3

QUESTIONNAIRE RESPONDENTS

- Affiliate Executive Director (listed in the order of receipt by the UCPA Washington office). *: indicates a state affiliate

1) Sioux Falls, SD
2) Lexington, KY
3) Des Moines, IA
4) Sikeston, MO
5) Denver, CO
6) Springfield, IL*
7) Waterbury, CT
8) Bridgeport, CT
9) Scranton, PA
10) Worcester, MA
11) Utica, NY
12) Ithaca, NY
13) Akron, OH
14) Indianapolis, IN*
15) Colorado Springs, CO
16) Milwaukee, WI
17) Tallahassee, FL
18) Lafayette, IN
19) Glassboro, NJ
20) Augusta, ME
21) Wausau, WI
22) Boston, MA
23) East Orange, NJ*
24) Columbia, MO*
25) Pottsville, PA
26) Lebanon, PA
27) Cincinnati, OH
28) Providence, RI*
29) Geneva, NY
30) San Antonio, TX
31) Buffalo, NY
32) New York, NY
33) New York, NY*
34) Pittsfield, MA
35) Lewiston, PA
36) Anniston, AL
37) Detroit, MI
38) Wenatchee, WA
39) Springfield, MO
40) Lakeland, FL
41) Modesto, CA
42) Gretna, LA*

- Affiliate Executive Directors who are also either a person with a disability or a parent of a person with a disability (listed in the order of receipt by the UCPA Washington office). *: indicates a state affiliate

1) Anderson, IN
2) Washington, PA
3) Bangor, ME
4) Madison, WI*
5) Wilmington, DE*
6) Hyde Park, VT*

- Non-Executive Director Affiliate Staff Members (listed in the order of receipt by the UCPA Washington office). *: indicates a state affiliate

1) Raleigh, NC*
2) Los Angeles, CA
3) Kansas City, MO
4) Chevy Chase, MD
5) Baltimore, MD
6) Eau Claire, WI
7) Denver, CO
8) Santa Rosa, CA
9) Philadelphia, PA
10) Santa Ana, CA
11) Atlanta, GA

- Affiliate Board of Director Member (listed in the order of receipt by the UCPA Washington office). *: indicates a state affiliate

1) Allentown, PA
2) Madison, WI*
3) Lansing, MI*
4) Wausau, WI
5) Polo, IL
6) New Orleans, LA
7) Fresno, CA
8) Cheyboygan, MI
9) Arlington, VA
10) Duluth, MN

- Affiliate Volunteer (listed in the order of receipt by the UCPA Washington office). *: indicates a state affiliate

1) Terre Haute, IN
2) San Diego, CA
3) Florida (refused to identify person responding, the affiliate, or the exact location)
4) Tallahassee, FL*

- Affiliate executive staff who did not return the questionnaire but endorsed the April 10 advocacy approach articulated to the Senate Finance Committee. *: indicates a state affiliate

1) San Mateo, CA*
2) Fresno, CA

WHAT CAN YOU DO AT THE STATE AND LOCAL LEVEL?

- Bi-Partisan Congressional Concern

The Budget Reconciliation Act decisions clearly reflect the bi-partisan consensus of the Congress that the federal government should promote, through targeted categorical programs, the welfare and quality of life of persons with disabilities. It is correct that the Republican Administration wishes to terminate and reduce the funding of federal service programs for the disabled -- and it is also true that the Democratic Congressional leaders oppose these proposals and defend the need for increased funding of categorical programs for the disabled. But the decisions in Congress are bi-partisan and many Republican legislators are the key to maintaining assistance to the disabled.

Senators Lowell Weicker (CT), Robert Stafford (VT), and Orrin Hatch (UT) were instrumental in the DD, VR, IL, NIHR, and education for the handicapped programs. Senator Robert Dole (KS) was instrumental in the MCH and Title XX deliberations. Representative John Rousselot (CA) was vital to keeping the Titles IV B and E children's programs out of a Social Services block grant. Representatives Arlen Erdahl (MN), James Jeffords (VT), John Ashbrook (OH), and Marge Roukema (NJ) were keys with the VR, IL, NIHR, and education for the handicapped programs. The efforts of these legislators and others were endorsed by the House Republican Congressional leadership such as Senator Ted Stevens (AK) and Representative Bob Michel (IL).

The future of programs for the disabled can not be viewed as a partisan issue. Every member of Congress from every district and state must hear from constituents. Political independence and courage characterized the budget debate. As Senator Hatch declared, "I share your concern about providing the adequate resources needed to maintain the critical safety-net for handicapped citizens. I recognize the importance of continuing (and even increasing) funding for handicapped education and services....I will continue to defend programs for our handicapped citizens." As Representative Roukema observed, "the minority side...acted and put together an alternative from the original administration proposal."

Continue to stay in touch with your members of Congress.

- Block Grant Questions

Before Congress wholeheartedly endorses President Reagan's block grant proposals, we have asked its members to document answers to the following questions:

(1) Where has a block grant/umbrella agency experience resulted in improved services to persons in greatest need?

(2) Can you ensure/guarantee to persons with severe disabilities that the benefits and services they now depend upon will continue under a block grant/umbrella agency approach?

(3) Can you ensure/guarantee that a block grant/umbrella agency approach will not stop deinstitutionalization and start reinstitutionalization?

(4) Can not the cost and burdens of government be reduced without the total elimination of federal programs targeted on persons in need, such as those with severe disabilities?

- Factual Description of a State's Service System

One of the strategies to be used is to factually describe each state's services to the disabled before and after the enactment of federal-state programs for the disabled. For example, for each program, such as DD or P.L. 94-142, the following information would be helpful:

(1) Number of persons served in the program area prior to enactment of the federal program.

(2) State expenditure in the program area prior to enactment of the federal program.

(3) Number of persons served in the program area in the last fiscal year.

(4) State expenditure in the program area in the last fiscal year.

(5) Federal expenditure in the state in the program area in the last fiscal year.

(6) State administrative costs of the program under consideration in the last fiscal year.

(7) Any information or examples which indicate the state may not continue its current level of services under a block grant.

- Block Grant Operating Principles

The Missouri House of Representatives has adopted a Bill of Human Rights, suggested by the Coalition for Sensible and Humane Solutions in St. Louis, as items in the implementation of all block grants. These include:

(1) civil rights protections;

(2) accountability and openness to the public on the use of funds;

(3) open hearings and thorough review by citizens and state legislatures;

(4) rejection of block grants that are "merely temporary steps toward the abolition of federal funding"; and

(5) establishment of procedures whereby citizens can appeal illegal or arbitrary actions by government agencies.

It is noteworthy and unfortunate that the Missouri House did not adopt sixth principle advocated by the Coalition -- distribution of funds on the basis of need, with the "truly needy" receiving top priority.

- State Level Decisions

In a paper prepared for the U.S. Council for the International Year of Disabled Persons ("Human Services in the 1980's - An Examination of the Consequences of and Actions Which Would be Required Under Block Grants"), Jule M. Sugarman observed that "the most fundamental issue which a state will have to address is whether it will build its programs around particular target groups." Sugarman has outlined a number of principles that the state level should adopt.

(1) There needs to be an organizational arrangement whereby the state can examine program, process and budgetary issues which cut across traditional jurisdictions.

(2) Whether the decision is to retain or alter categorical organization it should be possible for individuals to participate in the program which most comfortably meets their needs.

(3) No decision for major reorganization of services should be made unless the public agency is willing to make the investments of leadership, time, energy, training costs, public communication, and employee relations which are essential to successful change.

(4) State rules should not grant a monopoly on service delivery to any particular type of organization. Public officials should be free to select an organization on the basis of competence and costs. Officials should be free to use both contract and grant mechanisms provided accountability is maintained.

(5) The support and participation of local officials for service programs is of such importance that there should be an organized channel of communication from local to state officials on issues of planning, fund allocation and service delivery.

(6) States should be able to involve local governments in service delivery based on assessments of their interest, competence and efficiency to distinguish the degree of their participation based on such factors.

(7) Where a state desires to use private organizations for service delivery, local officials should have the opportunity to comment on the proposal.

- Suggested Activities

UCPA affiliates are encouraged to undertake the following activities:

(1) Continue your efforts with federal legislators to modify or defeat the Reagan Administration block grant proposals.

(2) Continue your efforts with federal legislators to maintain an adequate federal financial investment in programs serving persons with disabilities.

(3) Continue to work closely with all state and local government officials responsible for human services delivery.

(4) If block grants are implemented at the state level, use the Budget Reconciliation Act procedures as well as the Missouri and Sugarman suggestions.

REPEAT QUESTIONNAIRE FOR THOSE AFFILIATES WHO PREVIOUSLY FAILED TO RESPOND

In 1949, the Commission on the Organization of the Executive Branch of the Government in Federal-State Relations, A Report to the Congress decried the "uncoordinated" development of the grant-in-aid system and the lack of attention to its "overall" impact and its effects upon the general operations of government. It noted with concern the "excessive fragmentation of the assistance system"-- there were then three "separate and distinct grants" in the field of education, at least three in public assistance, and ten in public health -- and recommended that the aid system be clarified and systematized through the use of block grants. So the issue of block grants is not new although the political and ideological will and power of the Reagan Administration makes it fundamental today. UCPA continues to advocate the need for some federal-state categorical programs targeted to the disabled. But we wish to make sure that this is in fact the consensus of the grass roots; if it is, it will have an impact on the Congress. If your affiliate is not listed on pages 28 - 29 of this paper, please return the following questionnaire to the UCPA Washington office as soon as possible.

QUESTIONNAIRE FOR UCPA AFFILIATES

(Please return to the UCPA Washington Office)

1) Are you (please check all appropriate categories)

a) An affiliate executive director? ___
b) Non executive director affiliate staff member? ___
c) An affiliate board of directors member? ___
d) An affiliate volunteer? ___
e) A parent of a person with a disability? ___
f) A person with a disability? ___

2) Should UCPA support the development of human services integration defined as "the common location of related services activities, a single intake system for new clients, and delegation of authority to supervise and coordinate services to local, nonspecialist administrators?"

Yes	No
___	___

(check one)

3) Should federal/state funding applications, audits, reports, and evaluation forms for human services programs be consolidated and standardized?

Yes	No
___	___

(check one)

4) Do you believe that program consolidation will result in less costly government?

Yes	No
___	___

(check one)

5) Do you believe that program consolidation will result in more coordinated and integrated human services?

Yes	No
___	___

(check one)

6) Assuming that categorical programs with their separate targeting and paperwork do increase the administrative cost of government, does the guarantee of funds to persons with disabilities still outweigh these administrative burdens?

Yes	No
___	___

(check one)

7) Should federal human services dollars be specifically targeted to (please check all appropriate categories)

a) the mentally disabled? ___
b) the physically handicapped? ___
c) the developmentally disabled? ___
d) the severely disabled? ___
e) the disabled? ___
f) each and every category of disability (such as cerebral palsy, autism, mental retardation)? ___
g) the socially and economically disadvantaged? ___
h) those with low incomes? ___
i) service areas (such as education, housing, health, respite care) without targets to specific populations? ___

8) Should state and local government be given the authority to decide who receives federally financed services and under what conditions?

Yes	No
___	___

(check one)

9) If the federal government enacts block grant legislation in the human services field, do you believe benefits to persons with disabilities will decline?

Yes	No
___	___

(check one)

10) If the federal government enacts block grant legislation in the human services field, do you believe the nonprofit sector, such as UCPA affiliates, will receive (check one)

greater government funding? ___
less government funding? ___
about the same amount of government funding as now? ___

11) Should state and local government be allowed to meet federal regulations through a "substantially equivalent" test rather than through exact compliance standards?

Yes	No
___	___

(check one)

12) Should human services be better coordinated?

Yes	No
___	___

(check one)

a) if yes, do you support any of the following programs as the lead agency coordinator (check all appropriate agencies)

Developmental Disabilities ___
Title XX Social Services ___
Health Planning ___
Umbrella Human Services Agency ___
Education ___

13) Should UCPA support the consolidation of federal human services programs?

Yes	No
___	___

(check one)

14) Even if dollars continue to be targeted to persons with disabilities under a block grant approach, should UCPA continue to advocate federally prescribed programmatic criteria (such as individual program plans, consumer involvement, least restrictive environment, due process protections, and community integration)?

Yes	No
___	___

(check one)

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